

## **MAFA Commerce Subcommittee Teleconference – October 7, 2015**

### **Meeting notes**

*Focus: Discuss the draft report from the Aquaculture Task Force draft report on the Marine Aquaculture Strategic Plan, 2016-2020. After discussion and potential edits, goal is to move revised report to MAFAC for consideration.*

Meeting was led by John Corbin, co-chair, Commerce Subcommittee

Participants: Julie Bonney (co-chair), Ted Ames, Paul Clampitt, Bob Rheault, Keith Rizzardi, Peter Shelley, and Pam Yochem.

Staff on call: Heidi Lovett, Kristina Trotta, and Jennifer Lukens

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Background – MAFAC set up the Aquaculture Task Force (ATF) to add to aquaculture expertise to MAFAC. Eleven highly qualified people were appointed in January. Together, have over 200 years of experience, much in commercial farming. Bob and John are liaisons to the ATF; John has chaired meetings and calls, but prefers to consider himself a facilitator.

Two main projects – (1) assess the implementation of the 2007 10 year Strategic Plan and (2) work with the Office of Aquaculture to develop the new 5 year Strategic Plan.

ATF and MAFAC reviewed and commented on strategic priorities in April. A number of changes were implemented. Next ATF reviewed the detailed progress report on the 2007 Plan, they provided detailed informal comments directly to the Office, and in particular, they highlighted issues that should be covered in the new plan. ATF reviewed several early drafts of the new plan.

Highlights of reports findings:

After introduction and review of the ATF formation and process, Section 3 identifies several trends related to seafood security – global climate change, purchasing power of developing nations, and other trends that could disrupt the supply chain, both short term and long term. An argument is presented for expanding domestic aquaculture to meet demands (p. 3, Section 3.1). Seafood imports have increased to 91%, trade deficit of \$12B, growth of mega-cities around the world – subjects seafood to increasing risk and disruptions.

### **Section 3.2**

There has been notable progress in marine aquaculture. There has been an 8% increase (salmon, shellfish) due to expanded aquaculture; Office staff have expanded, and there are coordinators in all regions; a marine aquaculture policy was developed and finalized; guidance to develop aquaculture in federal waters was developed; and the Shellfish Initiative was released.

But, challenges remain. Most significant issues –

- Lack of a strong and consistent top down agency-wide commitment.
- No facility in federal waters.
- Permit process for the Gulf is still waiting adoption – activity began in 2003.

Paul – It's hard to find information regarding where the numbers have come from. He wants to ensure accuracy. Please email/share where the information came from.

John – The 91% of seafood comes from imports is by value, on the NOAA website.

Paul - I live in the Pacific NW; I just don't see this. Maybe it's elsewhere.

John - shrimp value is very high, tilapia may have been in the top 10. This report is not considered a white paper, but many of the statements can be referenced.

Heidi said she would reach out to other NMFS offices for an answer, if there is one.

Ted – following this same section, he questioned whether current production of wild seafood is limited. It may have peaked in the past globally, but NE is at historic lows; NE production has diminished lately. It has a very good opportunity to recover historical production. This fact is slipping through the cracks. Would be nice to get this type of estimate around the nation.

John – timeline regarding “at-capacity,” comes from FAO and global fisheries data. They use the term at-capacity. He understands that we may not be at capacity in parts of the US.

Bob noted that both the UN and World Bank report reached the same conclusion regarding global landings – effectively status quo. There will be slight bumps and valleys, but they did not feel justified to assert there would be increases or decreases, due to better management or climate change. They are just extrapolating the 30 year trend forward. The trend for aquaculture may be overly optimistic for several reasons. Things may be different. But at the end of the day, it still means there will be a 50 MT global shortfall in seafood production.

Ted – but recovery programs fall through the cracks when you average productivity globally. He is searching for what our own country has for potential increases. We are looking for a total production by the US. Feel that there should be some mention of this potential capacity. European cod collapsed several decades ago, and now they have large exports. Heidi offered to reach out to other NMFS offices for a potential answer.

Julie – suggested a compromise statement, that this figure could be discussed with a qualifying statement regarding improvements under the MSA, overfishing has been decreasing, etc. without presenting a number.

Julie and Paul noted another issue is the export trend. The economics of processing is causing product to be exported for processing overseas, and then it comes back to the US.

Yet, at the end of the day, the US needs more seafood production, and aquaculture needs to increase.

John – agreed. The text is trying to stress the *risk* in global supply. Experts have said that aquaculture will be the source of new supply. Domestic source is better than having an overextended global source.

All agreed to include language about the potential expansion of US wild caught production, as management improvements, as proceeding under the MSA, lead to more species come off the Overfished and Overfishing lists.

#### **Section 4.0 – Priority Concerns and Recommendations**

ATF identified 21 issues of concern, and prioritized that to their top 11 which were reviewed.

(1) **Permit process** – Gulf Council adopted the FMP in 2009. Took time to develop the draft rule; now it's at OMB. The ATF wants to move this ASAP.

Peter Shelley – concerned about expediting permits in the coastal zone. It's a busy crowded area of water. There is wind and other issues also going on. Concern of his and Michele's, and what would streamlining consist of? Don't want to see corners cut.

John – Rule has been bouncing around for 2 years, and the FMP, for 6. They are not trying to cut corners. But, they should do what they said they would do.

Ted – Councils have management over aquaculture as well. Is that process being bypassed? No, that is the process to have a pathway to permitting in Federal waters. Want to implement what the Council determined.

(2) Uses “streamlined” as well, but it’s looking for short term research projects having a simplified process. Can use experimental fishing permits, but the process is unclear. Asking for it to be standardized and simplified.

Paul -Maybe it should say “standardized” permit pathway, rather than streamlined. Streamlined means fast paced. Took him 10 years to get one small change made in the tier fisheries off Washington. He understands the frustration. But, he worries about fast-track and streamlining the process to put new species out in the ocean. He has many questions- can they reproduce, have methods been tested?

Bob – encourages Paul to read the FMP. Safeguards have been in place; it has all been considered. They are asking the 5 permit agencies to consider one permit. Administrative hassles are paramount to this point. Not asking for special consideration, to disregard the MMPA, etc. Limitations are such that it may be a non-starter anyway.

Julie – One issue is the management plan in the Gulf of Mexico (#1). But is (2) concerning all research anywhere, or just the Gulf of Mexico (GOM)? She suggested a compromise on (2), it should more specifically mention the GOM. It should say that in that bullet.

John – it was pointed at the Gulf initially, but they are looking for a solution to be used by all the Councils.

Julie - Application for EFP goes to agency, but Councils are usually offered an opportunity to comment.

Rework to note: NOAA should come up with process for EFP for aquaculture. Clarify it would be for all regions of the US, not just Gulf. Clarify who has to streamline the process.

(3) ATF feels NOAA Fisheries should be the lead and recognized as such. Looking for a stronger statement about the leadership.

Julie – still need to hook up with the Regional Councils. They have to partner on aquaculture. John agreed, NOAA is the lead for the work but should coordinate with the Councils.

Ted – Other agencies are involved in marine matters. Would NOAA need to consult with them? Ted noted the concern Michele raised. Yes. Idea is that NOAA would declare itself as the lead agency, but we can add language that they must consult.

It was agreed -- add “with consultation of other agencies.”

(4) Industry and investment community is looking to NOAA to strongly support this plan and take active leadership and commitment to the plan to be successful. No discussion on this one.

(5) Reducing perceived internal conflicts with implementing permits. Lot of stories from state waters, resources managers unreasonably holding up permits. Bob noted the dual role of NOAA. They are not asking

for changes to their responsibilities, but better communication within the agency on the issues the Aquaculture Office would like for them to be aware. No further discussion.

(6) & (7) Seeks high level support, such as a letter from the Administrator. Similar to Rec Fisheries Plan – it had a cover letter with strong language of support. A similar note that aquaculture is important to NOAA and the Department should be added. NOAA should formally adopt the strategic plan as an agency-wide guidance document.

Ted – raised concern about adopting the Strategic Plan throughout the country, when research is still needed.

John – we could have a long conversation about the state-of-the-art information. For aquaculture today, the unknown unknowns are really few. This is about establishing commercial farms in federal waters and allowing research to go forward. Industry is more ready than you think.

Bob –Shellfish is even more advanced, but we are no closer to having shellfish permits in federal water.

Julie – This language ensures that the Strategic Plan helps move aquaculture forward. Has no issue here.

General agreement with this recommendation.

(8) Under Measuring Progress, plan needs to be less aspirational, use more quantifiable metrics and accountability. Adding an external review panel is suggested.

Julie – you are asking the plan to have goals, objectives, and deliverables, but how will you ensure they put things in that you agree with? You may want to flag that you wish to have the ATF work with the Office in developing these outcomes. It was agreed.

(9) Target for the plan. Plan has one target. 50% increase in marine aquaculture production in volume in 5 years. This equals 8% annual growth rate, status quo growth. The plan has many actions, and one would expect higher growth, thus, they suggest a higher goal. Does not seem appropriate that continuing the status quo is the best that can be hoped for. This would account only for salmon in the west and Maine, and shellfish in state waters. States have carried most of the 8% growth. We have the largest EEZ in the world, and we need to aim higher. ATF recommends doubling the goal.

Paul- concerned that double is too much. He has seen sablefish farms in BC. There were lots of deformed fish; would not want them to get loose. Doubling production in 5 years seems very quick. Want to see successful examples before we jump in.

Ted- he echoed Paul's concern. Industry may not be ready, have the technology or the critters to increase. When industry is prepared for it, and a certification process for an offshore site is finished, creating an opportunity is 9/10ths of what NOAA can do.

Bob – industry is ready, but they are going overseas because they cannot get a permit in the US. In states where permits have been streamlined, they have seen 30% annual growth. Asking for status quo is not aspirational.

Ted – if industry is ready to invest in such a project in the Gulf of Mexico there is an opportunity to do that, or, in state waters. He does not see how NOAA can target an increase, when the decisions to do that lie within the industry itself.

John – We’re asking for some vision that this can work, beyond current levels of growth. Is the sticking point 2x growth or something else? For finfish, salmon, 43 million pounds will be 86 million pounds.

Julie – a compromise may be to note that 50% is status quo and the goal should be *higher*, and leave it at that.

John –ATF preference would be to have a target, but if this is needed to move this along, he could work with it.

Bob – status quo is subpar permitting efficiency and it does not reflect advances that industry has made on fishmeal, managing escapes, etc. If we stick with 8% per year, why bother to put out a strategic plan?

Julie noted this and the next point blend together. Note the goal needs to be higher, but why not 4x or something else? How was double chosen?

Bob – in 2007 plan, they targeted a 10 fold increase. ATF had different opinions as well. But, if structural and permitting challenges are improved, it will not be difficult to exceed the status quo. Double was based on the expertise of the ATF members.

John – still hearing disagreement.

Julie – the language can still point out that the target captures status quo, and needs to be more ambitious, but without a number.

Bob – this is the recommendation of the task force. Is there some support from MAFAC for this recommendation of the Task Force?

Kristina noted that Aquaculture Office staff noted having a number would be tremendously helpful.

Bob – the ATF did spend a lot of time arguing this point.

John – asked for straw vote regarding leaving the sentence in. Paul does not like it, and he will make his comments at MAFAC meeting.

Julie – if the sentence stays in, it likely needs to go to the full MAFAC. [Keep sentence as is.]

(10) Focuses on the strong domestic need to get aquaculture going; this is more than just to reach a higher target. No other discussion.

(11) Goal for a finfish initiative, complementary to the shellfish initiative. There is a NOAA study that projected the growth of different types of marine aquaculture. Marine finfish projection was twice the amount of shellfish or other project.

More detail is in attachment B. An outline of the essential components of what such an initiative would look like, is in attachment C.

Ted- change “highest” to “high” in (11) and John agreed.

Julie- She could not understand what the attachments were for. Better context should be provided in the cover letter (or introduction).

Bob – Regarding why there are other concerns in Attachment A, there was concern of limited attention span of readers and they wanted to provide focus on the key ones in main document.

Julie- Then maybe the paper should not that ATF prioritized their recommendations.

## **Attachments**

Attachment A are recommendations that did not end up on the top priority list.

(1) Ted noted the concerns expressed were not intending to be road blocks. They were safeguards for a complex ecosystem. There could be dislocations to commercial and recreational fish. It would be good to see at least somewhat of a precautionary approach taken.

John – The flip side is to have a process that will put aquaculture in the EEZ. Thinking from ATF, don't take 10 years; it's too short.

Julie- we have already endorsed these constructs.

John explained the rationale:

- (1) Include umbrella concept and applied them to other species should be considered.
- (2) Some of these changes may have been addressed, but the language could be stronger, more inspirational, highlight aquaculture's growing importance, etc. Plan could use additional editing.
- (3) The plan does not have a lot of clear priorities, and should be improved.
- (4) Statistics need more explanation in the plan.

Comments and questions – none on the 2 through 5.

Appendix B -- This grew out of brainstorming. The ATF told the aquaculture Office they should identify where any new monies would go. The Office came back and asked to identify where the priorities should be. B and C are basically ideas to share with NOAA.

Ted – outcome 6, \$50M to support industry expansion – this does not seem an appropriate role for NOAA. Industry needs to do this. Julie added that the way it's worded, it sounds like you are funding private industry, vs. infrastructure to support private industry.

Bob – they are talking about extramural grants, research support, capacity commensurate with their role for seafood production. There are lots of compelling reasons as to why more funds could even be used. He agreed it should be worded differently.

For B, you are asking for an additional \$20M?? Yes, and if it were received, the ATF developed priorities.

Julie – bold the word “NEW” to emphasize that.

Paul – under B, correct the “4” to “\$.”

It was agreed to move the report as amended to the full MAFAC committee. Staff will assist John in the edits highlighted.